

Strategic Personnel Development through Market-Oriented Training: Recommendations for Moldovan Firms

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Rezumat:

În condițiile globalizării și integrării internaționale, întreprinderile din Republica Moldova necesită angajarea personalului competitiv, potențialul profesional al căruia să corespundă cerințelor economiei de piață. Formarea unui personal competitiv la întreprindere e posibil prin instruirea orientată spre piață, pe calea elaborării strategiilor de dezvoltare a potențialului profesional al specialiștilor, redactarea programelor de instruire, dezvoltarea abilităților pentru instruirea organizațională, fapt ce duce la crearea unei organizații în continuă învățare.

Practica arată că la întreprinderile din Republica Moldova strategiile de dezvoltare a potențialului profesional al specialiștilor se elaborează rar. În același timp, s-a dovedit că managementul strategic al personalului este un factor al creșterii competitivității întreprinderilor în condițiile globalizării businessului.

Abstract:

In the conditions of globalization and international integration, firms from the Republic of Moldova need to employ professional and competitive personnel that would correspond to the requirements of the market economy.

The development of competitive personnel of a firm is possible through market-oriented training, through elaborating personnel development strategies, through drafting training programmes, and through developing organizational skills. All these things lead to the creation of a lifelong learning organization.

Empirical studies show that such development strategies dealing with personnel professional potential are rarely elaborated in Moldovan firms. At the same time, it was proved that strategic personnel management is a factor of competitive growth of a firm in the conditions of business globalization.

The existence of a functioning market economy and the international integration of Moldova into the European Community have led to fundamental changes in management, especially, in human resource management. Nowadays, the personnel are considered to be a competitive force of the firm, it represents its power and its marketplace success.

The new strategic approach to modern business management is supported by many foreign and native scientists, such as: R. Acoff, K. Bouman, P. Doilli, R. Daft, R. Caplan, B. Carloff, A. Constantinescu, A. Istocescu, D. Norton, O. Nicolescu, C. Russu, R. Fathutdinov. The following researchers from Germany (H.-F. Akermann, V. Fake, R. Marr), from Switzerland (M. Hilb), from the U.S.A. (L. Berd, I. Mesholam, P. Boxall, M. Divann, S. Fombrun, N. Tichi) and from Austria (V. Elix) pay a lot of attention to strategic personnel management.

It has been proved that many firms need to employ professional and competitive personnel that would correspond to the requirements of the market economy, which would adhere to the strategic plan of the firm in order to create opportunities and achieve the goals of the firm. This need will increase in the next 5 - 10 years due to the integration of the Republic of Moldova into the European Community, as firms will have to

compete not only with domestic producers of local goods and services, who have managed to survive in market conditions, but with Western firms, which have a longer history, higher competitiveness and more qualified personnel.

Obviously, not every thing promotes the production of a competitive product. Therefore, not every production is profitable, not every production might be considered a business strategy. Thus, we can find among the personnel of every firm, many employees who work and receive salaries, but only a few of them are truly proficient and bring good results. Their salary is included in the cost and exceeds the bid price production (or services) of the firm, at the same time, their work does not influence the production quality. The discrepancy between the price and demand, at best, leads to lower profits and to the inability to sell in the future.

Thus, we deduce the need to develop the potential employees so that the results of their work would bring the highest income possible to the firm and would create competitive advantages for their products on the market.

A sociological survey was carried out in order to investigate the level of personnel development in local firms. All in all, 110 employees from various firms from the northern region of Moldova were surveyed. The distribution of respondents according to gender, education and social status is indicated in Table 1.

Table 1

Distribution of respondents according to gender, education and social status

| | Gender | | Respondents' Education Background | | | | | Respondents' Social Status | |
|----------|--------|--------|-----------------------------------|---------------------|----------------------|------------------------------|------------------|----------------------------|-------------------|
| | male | female | incompleted secondary education | secondary education | vocational education | incompleted higher education | Higher education | married | Un Married/single |
| Share, % | 41 | 59 | 1.9 | 9.7 | 30.5 | 14.1 | 43.8 | 79.6 | 20.4 |

The categories of employees, who participated in the survey, were distributed as follows: managers - 18.2%; specialists - 43.6% and workers - 38.2%. More than 60% of respondents had worked between 5 and 20 years at the given firms, thus, the survey was conducted among the permanent employees of the firms.

It was emphasized during the research that training is the most important factor in the development and realization of efficient personnel in various firms. The results of this research come to prove this fact: the current development and self-realization through training was mentioned by the majority of respondents - 89.5% and only 10.5% of respondents believe that this development through training is not for them. 70.2% of respondents stated that the most effective forms of training are: seminars, trainings about the consulting

systems and working in a firm. Yet, only 19.6% of employees would like to continue their studies in higher education institutions.

Traditionally, training involves equipping employees with professional skills while studying at higher education institutions, colleges and in production (in-house training). Essentially, such a training partially develops the intellectual and qualification potential of the employees, yet, it does not characterize their competitiveness on the market.

The suggested approach and, namely, *market-oriented training*, which, according to the concept of the "competitive employee" and the need for strategic personnel development, includes the following:

- Developing the employees' intellectual potential and qualification skills by learning in higher education institutions and specialized vocational schools in accordance with the requirements of the market demand, which will create a real competition on the labor market and will provide qualified workforce in the future. The organization of the Master's degree and doctoral studies, taking into account the business development strategy and the needs of the firm, will create possibilities for carrying out enterprise innovations and adapting the scientific and technical progress to the requirements of the market conditions.
- The development of the psychic and physiological potential and, namely, learning the inner culture of an organization, educating leaders, developing the goals of the organization which will lead to the creation of a "team with a single perspective" in future and forming a competitive organic personnel, as well as training the subconscious mind to lead a healthy way of life, will reinforce the corporate culture, will decrease the number of medical certificates; all these will result and lead to an increased quality and productivity. Consequently, the flow of personnel will decrease and in such a way, the expenses for selecting and instructing new employees will go down, too. It has been noted that production traumas, production defects and stressful situations will be cut down as well. A sound production atmosphere is formed in this way.

Developing the personnel must be accompanied by rational investments to get maximum feedback from the application of human personnel in perspective.

Taking into account that market-oriented training is a process made of several stages that characterizes knowledge acquisition at each stage and which determines the periods of training, it is necessary to plan the process so that the acquired knowledge precedes the market changes in the economy. Otherwise, the changes occurring in the external environment will devalue the knowledge acquired during training and will eliminate the need for its application in business practice. This thing will ultimately lead to undue investments in human resources.

However, training must be differentiated and must include: learning in higher education institutions, learning for a postgraduate degree (master and doctoral studies), self-training, seminars, trainings linked with the consulting system of a firm.

Taking into account the assumed approach on the development of human resources, market-oriented training should be conducted according to a special programme. The market-oriented training program is planned for 5-10 years, describing in details the annual events. Personnel categories, the duration of the training periods, the criteria for selecting personnel for training, the orientation and the training budget must be delineated.

Market-oriented training syllabus should include the components shown in the table below:

Table 2

Critical Determinants of Market-Oriented Training Programme

| | |
|--|---|
| 1. Personnel development strategy. | This section describes in detail the personnel training strategies through market-oriented training and the realization of human personnel in competitiveness indicators, labor productivity, work quality and work efficiency indicators. In addition, personnel development strategy should be included in the business development strategy. |
| 2. Calculating the needs for personnel training. | This section must show the number of employees by personnel categories - managers, specialists, employees, who, according to the personnel development strategy and market environment requirements, must carry out training. Besides, it is necessary to indicate the type of training - learning in higher education institutions, learning for a postgraduate degree (master and doctoral studies), seminars and trainings in the consulting system and work production trainings. |
| 3. Active training methods. | Taking into account that seminars and trainings were regarded as the priority types of training by the respondents, we considered that the training programme should include this type of instruction/training. This section determines the main training directions for personnel through seminars and trainings, indicating the topics and the questions for seminars and trainings, as well as the dates for their deployment and the consulting companies. |
| 4. Training budget and sources of funding. | This section indicates the costs for personnel training, as well as the training funding sources. |
| 5. Knowledge Assessment. | This section should determine the criteria for knowledge assessment and should nominate the members of the attestation committee. |

Source: Own elaboration.

We assume that the suggested structure of the market-oriented programme for the personnel of a firm is not severe and senior company management can add some extra sections in it related to the specific activities of that firm.

Currently, the firm management uses traditional training for the personnel, which is ineffective, a fact demonstrated by the research: it is performed spontaneously, without an adequate programme, whereas market relations dictate other requirements for the personnel.

In this connection, we can mention the following *advantages of the strategic approach through market-oriented training*:

1. First, the suggested approach will allow for the development of the competitive personnel in future, which will ensure the competitiveness of the firm.
2. Secondly, it will create conditions for the strategic personnel development that are in accordance with labor market requirements, which will ensure the balance of labor demand and supply.
3. Third, it is closer in its essence with the business development strategy that will ensure compliance of the personnel development strategy with the business development strategy.
4. Fourthly, it motivates employees to productive sustainable activity, which will ensure their adherence to the organization.

Such an approach will develop a good specialist, master of his work and will also create a sense of belonging to his organization, educating in such a way a patriot of the firm. It is important because it is difficult to guess a person's actions in connection with the organization he/she works for in ten or twenty years. If the firm management carries out the strategy of personnel "growth", then in ten years it will have a competitive specialist, and it will not be easy to keep him/her at the firm.

On the other hand, the activity of a firm is cyclic, as well as a country's economy has flourishing periods and periods of financial crisis. This is the reality of the market economy and it is necessary to take into account this fact. It is namely during the welfare period that the firm should support its competitive employees, so that in times of crisis they should not leave the organization, but, on the contrary, take it as their own tragedy and help the firm to get out of the financial crisis.

In current conditions, personnel management has become increasingly more important for a successful management of the firm, but at the same time, it has become more complicated.

The suggested approach, namely, the strategic personnel development through market-oriented training, is based on perspectives of future development of the firm and on its personnel. Applying this approach in Moldova is very topical, because only in such a way it is possible to create a competitive economy in conditions of an increasing competition and the internationalization of production.

The proposed method is limited only to the strategic personnel development and realization approach of a firm carried out through market-oriented training. Thus, it is necessary to prepare a training programme based on a personnel development strategy which will include the costs for training needs and for the training budget.

Those employees whose job is closely related to the external environment and whose deep knowledge of the issues related to the market economy is strategically more important for the firm are, first and foremost, included in the training programme. These are managers (three management levels), experts in marketing, accountants, lawyers, technologists.

The suggested method of personnel development through market-oriented training will increase the personnel competitiveness of the firms under analysis, which will lead to enhancing labor productivity of the employees of these firms in future.

Given the fact that seminars and trainings are the priority types of personnel training, it is required to indicate the training direction in order to meet the needs of the market economy and be aware of the ongoing changes taking place in it. This is the core of the market-oriented training and developing perspective competitive personnel is the consequence of it.

Market-oriented training direction is differentiated in terms of personnel categories as to what functions they perform (the work sector). The following training directions through seminars and trainings of the market-oriented personnel can be pointed out (Table 3).

Table 3

Training Directions through Seminars and Trainings for Personnel Categories

| Training Directions (seminars, trainings) | Personnel Categories | | | | | | | | | |
|--|----------------------|-------------------|-------------------|-------------|-----------|----------|--------------|---------------------|--------|-------------------|
| | Managers | | | Specialists | | | | | | |
| | Senior Management | Middle Management | Linear Management | Accountant | Economist | Engineer | Technologist | Expert in marketing | Lawyer | Other specialists |
| <ul style="list-style-type: none"> On issues related to changing the legislation of the activity of a firm. | ▲ | ▲ | ▲ | ▲ | | | | | ▲ | |
| <ul style="list-style-type: none"> On issues related to accounting changes, calculating the tax base, the income tax from legal entities and others. | | | | ▲ | ▲ | | | | ▲ | |
| <ul style="list-style-type: none"> On issues related to changing the labor laws and social facilities. | ▲ | ▲ | ▲ | | | | | | ▲ | ▲ |
| <ul style="list-style-type: none"> On issues related to operating resources (capital, capital issues, labor) market, the market of factors of production. | ▲ | ▲ | | ▲ | | | | ▲ | | ▲ |
| <ul style="list-style-type: none"> On issues related to changes in scientific and technical progress, in production technology innovations. | ▲ | ▲ | ▲ | | ▲ | ▲ | ▲ | ▲ | | ▲ |
| <ul style="list-style-type: none"> Innovations in the field of personnel management, production, production quality. | ▲ | ▲ | ▲ | | | ▲ | ▲ | ▲ | | |

Source: Own elaboration

While organizing instruction through seminars and trainings, one should take into account their efficiency criteria: the learning goals, choosing the most appropriate forms and methods for the organization; adapting the seminars (trainings) to solve precise and practical tasks of the organization; developing the programme and giving the possibility to apply the acquired skills in practice; setting up an optimal schedule for seminars (trainings); involving highly qualified specialists such as teachers to promote seminars; choosing an appropriate venue for seminars (trainings).

Conclusion

As a result, we can underline that the suggested approach and, namely, the market-oriented training, will allow for the development of future competitive personnel that will ensure competitiveness of many domestic firms and will open easier ways of accession to new markets.

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